

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6116**

**BILL NUMBER:** SB 114

**NOTE PREPARED:** Feb 20, 2007

**BILL AMENDED:**

**SUBJECT:** Health Provider Reimbursement Agreements.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:** Rep. Fry

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** This bill prohibits certain provisions in health provider reimbursement agreements.

The bill provides that an agreement between an insurer or a health maintenance organization (HMO) and a provider may not contain a provision that requires the provider to offer to the insurer or the HMO a reimbursement rate that is equal to or lower than the lowest reimbursement rate that the provider offers to any other insurer or HMO. The bill provides that contract provisions that are entered into after the effective date of the bill and that violate this prohibition are null and void.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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